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AZ CORP COMMISSION
DOCUMENT CONTROL

2007 JAN -3 P 4: 35

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF BLACK
MOUNTAIN SEWER
CORPORATION, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASES IN ITS RATES AND
CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO: SW-02361A-05-0657

**NOTICE OF COMPLIANCE WITH
DECISION NO. 69164**

Pursuant to Decision No. 69164 (December 5, 2006), Black Mountain Sewer Corporation, an Arizona corporation, hereby files the attached Memorandum (*see Exhibit 1*), dated December 29, 2006, which details the status of the CIE Lift Station project and provides a timeline for completion of the project.

DATED this 3rd day of January, 2007.

FENNEMORE CRAIG, P.C.

By

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Arizona Corporation Commission

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1 ORIGINAL and thirteen (13) copies of the
2 foregoing were delivered
3 this 3rd day of January, 2007 to:
4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, AZ 85007
8
9 COPIES hand delivered
10 this 3rd day of January, 2007 to:
11 Keith Layton
12 Staff Counsel
13 Legal Division
14 Arizona Corporation Commission
15 1200 W. Washington St.
16 Phoenix, AZ 85007
17
18 Daniel Pozefsky, Esq.
19 Residential Utility Consumer Office
20 1110 W. Washington, Suite 220
21 Phoenix, AZ 85007
22
23 Brian Bozzo
24 Utilities Division
25 Arizona Corporation Commission
26 1200 W. Washington St.
Phoenix, AZ 85007

And COPIES mailed
this 3rd day of January, 2007 to:

Boulders Homeowners Association
Mr. Robert E. Williams
P. O. Box 2037
Carefree, AZ 85377

M. M. Shirtzinger
34773 N. Indian Camp Trail
Scottsdale, AZ 85262

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Scottsdale, AZ 85254

By: Maria San Jose
1870892.1/16040.031

EXHIBIT

1



MEMORANDUM

TO: TOM NICHOLS, ALGONQUIN WATER SERVICES
FROM: DEBRA MCGREW, MES
COPY: FILE
SUBJECT: CIE ABANDONMENT AND COMMERCIAL LIFT STATION MODIFICATIONS
PROJECT STATUS
DATE: 12/29/2006

The project status:

CIE Lift Station

1. MES has prepared the abandonment plan for the CIE. Developed details for a new manhole to route sewage into the new sewer to be constructed within the Tranquil Trails Unit 1.
2. Algonquin and MES have contacted the developer for Tranquil Trails Unit 1, Classic Stellar Homes and have discussed the easement requirements and alignment. Classic Stellar and MES are in the process of working out a legal description for an easement for the new sewer which is required before the CIE lift station may be abandoned. It's important to note that removal of the CIE is contingent upon Tranquil Trails Unit 1 receiving an Approval of Construction permit from Maricopa County Environmental Services Dept (MCESD). The new sewer system must be complete and streets paved before approval is granted.
3. MES's subconsultant PEC completed the field survey for designing the new connecting sewer. The survey data will be sent to MES next week.
4. MES and Algonquin's CM at Risk contractor, Chip Norton of DL Norton conducted a field visit to develop the scope of the field work required to complete the design.

Work to complete

5. First week of January 2007: DL Norton will excavate and expose the locations of the force mains from Commercial LS and the CIE force main within Carefree Drive.
6. Mid-January: Once the locations and depths are known then MES will complete the tie in details for the force mains.
7. Mid-January: MES will prepare the control for DL Norton to install the new sewer from the CIE to the Tranquil Trails sewer, so the CIE can be removed. Construction will be coordinated with Classic Stellar Homes. Construction is expected to start at the end of January and require approximately two weeks.



Commercial Lift Station

1. MES has prepared the bypass pumping plan required to replace the existing wastewater pumps.
2. DL Norton will have a crew out the first week of January to measure the piping within the Commercial LS dry well for MES. The drawings provided by Black Mountain's engineer of record were not as-builts. So DL Norton will as-built the interior of the lift station drywell so MES may finish the drawings for replacing the pumps.
3. The design criteria for the replacement pumps were determined; so far two pump manufacturers have pumps that will meet the design criteria.
4. The technical specifications for the civil and mechanical work are complete. The electrical specifications are being developed by the project electrical engineer.
5. The electrical engineer is also working on the electrical upgrades required for installing the new pumps.
6. Odor control additive – MES is working with Bio COPE to test their ERI wastewater co-factor additive for controlling odors. A 275-gallon tote with chemical feed tote will be installed at the Commercial lift station on Wednesday, January 3, 2007. This will provide approximately two months perhaps more of the additive. The additive changes the chemistry of the water to provide the environment required for aerobic bacteria. When aerobic bacteria are present in large quantities odors significantly diminish. ERI also permits the environment required for the bacteria to dissolve fats, oils and grease. Other additives are being considered for testing.

Work to Complete

7. DL Norton will obtain price quotes and delivery schedules from both pump manufacturers. Delivery schedule will be a critical factor in the selection process.
8. The electrical engineer's drawings and specifications will be incorporated into the Contract Documents.
9. Sealed drawings will be submitted to MCESD for an expedited Approval to Construct permit.
10. Construction is expected to be completed approximately two weeks after delivery of pumps.